STATE OF WASHINGTON

DEPARTMENT OF HEALTH

Washington State Department of Health

Health Systems Quality Assurance (HSQA)
INTEGRATED LICENSING AND REGULATORY SYSTEM (ILRS)

INVESTMENT PLAN

December 15, 2004

Version 1.0

Review and Acceptance Team:
Sue Shoblom, Alvin Bloomberg, Jack Cvitanovic, Bart Eggen, Kathy Anderson, Pam Mena, Gary Schricker, David Koch

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A. Investment Approval Request Form

The Investment Approval Request Form is contained on the following page.

Appendix B – Investment Approval Request

This space For DIS/MOSTD use only:

Investment Approval Request
For Information Technology Resources

Department of Information Services
Management & Oversight of
Strategic Technologies Division

360/902-2975
MS: 42445

1	Agency: Department of Health Contact: Gary Schricker, Data Support Manager	Division: Health Systems Quality Assurance Phone No. and E-Mail: 236-2910, Gary.Schricker@DOH.WA.GOV
2	Description of Resources: Commercial-Off-The-Shelf Licensing and Regulation System Related Hardware (Servers, PCs, Printers, etc.) Purchased Services (Vendor Staff, Technical Writer) Personal Services (QA Contractor)	Resource to be Acquired Type of Resource: ☒ Equipment ☒ Software ☒ Purchased Services ☒ Personal Services Telecommunications: ☐ Voice ☐ Data ☐ Video
3	Acquisition Method(s): Check All That Apply	☐ Request for Quotation (RFQ) ☐ Request for Quotation and Qualification (RFQQ) ☐ DIS Technology Brokering ☐ Private Sector Strategic Partnership ☐ Sole Source ☒ Request for Proposal (RFP) ☒ Master Contract ☐ Inter-Agency Transfer ☐ Interlocal Coop. Purchasing Agency # Contract #
4	Investment Cost (see definitions on back): System Life Cycle Cost (see definitions on back):	$ 3,720,084 $ 4,174,584
5	Agency Approval (Signature):	Date:
6	ISB/DIS Approval (Signature):	Date:
7	(FOR DIS USE ONLY) Comments:	

INSTRUCTIONS

Investment Approval Request
For Information Technology Resources

Block 1	
Agency:	Use agency name.
Division:	Agency division designation for area where request originated. If request is for items in more than one division, indicate that it is a multi-divisional request.
Contact:	Name and title of person who could answer questions about the request.
Phone No. and E-Mail:	Phone number and e-mail address of contact person.
Block 2	
Description of Resources:	Provide a brief statement about what the agency wishes to acquire.
Type of Resources:	Check all appropriate box(es).
Telecommunications:	If telecommunications components are part of the acquisition request, check all appropriate box(es).
Block 3	
Acquisition Method(s):	Check the appropriate box.
Block 4 Investment Cost:	The development and implementation costs required to make an IT resource/project fully operational. Investment cost includes all purchases, lease or finance costs, including all costs for hardware, software, networking and telecommunications equipment, installation, training, personal and purchased services, internal agency resources, and all applicable taxes.
System Life Cycle Cost:	The investment cost of the new resources plus projected costs for maintenance, on-going training, operations, and applicable taxes over the expected life of the acquired resource.
Block 5	
Agency Approval:	The agency's appointed designee for approving acquisitions of information technology resources should sign here.
Block 6	
ISB/DIS Approval:	Signature of appropriate ISB or DIS approval authority.
Block 7	
Comments:	May be used by DIS only.

B. Purpose of the Planned Investment

1. Business Problem / Opportunity

Health Systems Quality Assurance (HSQA) has a long standing need to consolidate their existing legacy systems. Not only are these systems not providing some of the required functionality, but the version of Automated Systems Incorporated (ASI) being used is outdated and no longer supported by the vendor. The specific business needs addressed by this project include:

- Implementation of a single automated system to meet the business requirements of three separate offices;
- Implementation of an automated system consistent with Information Services Board (ISB) and Department of Health (DOH) information technology standards and strategic direction; and
- Procurement of a generic system with the potential for use by other DOH regulatory programs.

HSQA is not realizing the benefits of many opportunities that could be obtained through the use of an Integrated Licensing and Regulatory System. Specific opportunities that will be realized include:

- Improved efficiency by eliminating collection, data entry, and maintenance of redundant data;
- Addition of financial reconciliation processes to comply with state audit requirements;
- Increased consistency and tracking through use of system-wide rules;
- Enhanced system edits, reducing data entry errors;
- Improved reporting capability;
- Improved ability to meet legislative and federal timelines and mandates;
- Increased staff efficiency through automation of repetitive production processes;
- Elimination of side systems for management of the complaint and disciplinary process;
- Ability to link licensed facilities and licensed providers for improved assessment and coordination among program areas;
- Improved historical licensing and complaint investigation log for accountability;
- Ability to interface electronically with existing federal programs;
- Improved public access to vital health care information via the web;
- Increased system reliability through replacement of outdated technology;
- Enhanced capability for data sharing with other DOH programs and agencies;
- Enhanced tracking of DOH complaint process performance;
- Ability to provide ad hoc reporting capability for licensing, complaint, and compliance information;
- Reduced dependence on paper files and increased ability for electronic document storage;

- Improved compliance with privacy and confidentiality laws; and
- Improved tools for managing accountability and productivity of staff.

2. Background Information and Objectives

A Department of Health (DOH), Health Systems Quality Assurance (HSQA) mission critical function is the licensing and regulation of health practitioners and health care facilities. This function includes setting standards for entrance into the profession or for operation of a health care facility. HSQA licenses health practitioners and facilities, manages consumer complaints, and monitors disciplinary compliance plans.

HSQA currently has three outdated legacy licensing systems:

- Automated Systems Incorporated (ASI), a Unix based C-Indexed Sequential Access Method (CISAM) system that supports the Health Professions Quality Assurance Program (HPQA);
- The Facilities Services and Licensing (FSL) system: a FoxPro Client Server system that supports the FSL Program; and
- The Office of Emergency Medical Services and Trauma System (OEMSTS), an application/database system that supports OEMSTS.

In addition, a recently developed Business Administrative Tracking System (BATS) that supports HPQA was developed to overcome many shortfalls identified with ASI as well as to respond to external mandates. BATS is used to track disciplinary timelines in compliance with a legislative mandate, as well as comply with a federal mandate for reporting all disciplinary actions taken against Health Care Providers to the National Healthcare Integrity Protection Databank (HPDB). BATS is the core database for all disciplinary work done within HPQA and includes the Provider Look-up web-site. While BATS is predominantly used by HPQA, it also produces billing reports from the Adjudicative Services Unit (ASU) to FSL and OEMSTS.

The following background information highlights previous separate steps taken by the three offices within HSQA to initiate new systems:

- In early 1997 the Department of Health was approved by the Office of Financial management (OFM) and the ISB to purchase a licensing and disciplinary system to replace the current legacy system. The Information Services Board provided oversight to this project.

- Subsequently, HPQA initiated a Request For proposal (RFP) to implement a new system. In January 1998, System Automation Corporation was announced as the apparently successful vendor.

- From January 1998 through June 1999, the Department of Health sought negotiation of a contract with Systems Automation. An external quality assurance consultant (Sterling & Associates) and a contract lawyer recommended by DIS

aided in this process. DOH was unable to reach an agreement with Systems Automation. Issues included ownership of source code for the LICENSE 2000 application, inability to quantify a cost for all of the modifications needed (NOTE: Almost all of the modifications required were in the disciplinary component), concerns with the financial stability of the company, and its ability to deliver a quality product on time.

- In 1997, OEMSTS upgraded their system, converting the previous single-user DOS application to a Windows-based, multi-user version. Although the system has met the core functional needs of the program, it remains unable to electronically check discipline records of providers cross-credentialed in other programs within HSQA.

- In 1998, Washington State enacted legislation requiring HPQA to define each step of the adjudicative process and create a set of timelines for processing a complaint from intake through the final adjudication. The shortcomings of the current information system (ASI) made this mandate impossible to perform without development of a new tracking system.

- In 1999, a federal mandate became effective requiring the reporting of all disciplinary action taken against a health care practitioner to the National Healthcare Integrity Protection Data Bank (HIPDB). Again, due to limitations in the current information system (ASI), a separate reporting system was required to provide this capability.

- In March 2000, the original HPQA project was cancelled but the underlying need for a new licensing and disciplinary system remained. In order to meet the mandates stated above, as well as respond to internal business changes, HPQA pursued internal development of a separate disciplinary tracking component, known as the Business Administrative Tracking System (BATS).

- In September 2000, FSL initiated a Business Area Analysis (BAA) project that concluded in December 2001. The BAA project team developed Functional Models, Workflow Diagrams, and Conceptual Data Models to extract functional requirements statements from these deliverables, to make observations and recommendations for business re-engineering opportunities and to develop recommendations for the "Next Steps". The objectives of this effort would serve as the foundation for an RFI and the subsequent replacement of the current FSL database application. This effort also marked the beginning of coordination between FSL and HPQA with the intent of purchasing a single licensing application that would serve both Offices, replacing the licensing component of ASI and allowing the new system to be matched up with BATS to form an integrated licensing and disciplinary system for HPQA.

- In September 2002 FSL released a preliminary Request for Quote and Qualifications (RFQQ) to determine if Commercial Off The Shelf (COTS)

products were available in the market place that would address the functionality for the Office of Facilities & Services Licensing. FSL evaluated the responses and invited the top 5 vendors to conduct demonstrations of their software products. After reviewing the product demonstrations, FSL concluded that COTS solutions: 1) were more advanced and robust than earlier product assessments; 2) would provide at least 85% or higher of the requirements; and 3) could provide an enterprise agency wide licensing and disciplinary system.

- In January 2003 the HSQA executive management made the decision to consolidate the HPQA, FSL, and EMS licensing project efforts into a single HSQA enterprise solution.

- In January 2004 HSQA began development of a consolidated BAA from HPQA, FSL, EMS, and OCRH program areas which was completed in June 2004.

C. Business Justification

1. Support for Agency IT Portfolio and Business Plan

a. Relationship to the State's Technology Infrastructure

The architecture and tools that will be used for this project will adhere to DOH Technology Standards.

- The Database will be MS SQL 2000 or higher running on a Windows 2000 server platform or higher.
- Data entry will be accomplished with either client server technology or a web-based application using Active Server Pages, VB and Java script along with COM+ technology or equivalent .Net framework components and methodology.
- Data Junction, along with scripts developed in-house, will be used to accomplish data scrubbing and conversions.

The following is a description of the hardware and software components that will be required for development and implementation of the Integrated Licensing and Regulation System (ILRS).

ILRS Hardware

Application Database Servers - Two servers will be required for development. One server will be used to run the ILRS application. The other server will contain the ILRS database.
Quality Assurance Servers - Two servers will be required for Quality Assurance and Testing. These servers will mirror the development servers.
Production Servers - Two servers will be required for the production environment. One server will be used to run the ILRS application. The other server will contain the ILRS database.
Training Servers - Two servers will be required for Quality Assurance and Testing. These servers will mirror the development servers.
Disaster Recovery Equipment and Licenses - Disaster Recovery backup and restore capability will be provided

Training PC - Twenty PCs will be required for the training room.

Training Printer - One printer will be required for the training room

Training Projection Unit - One projection unit will be required

Testing PC - 5 PCs will be required for testing

Testing Printer - One printer will be required for testing

Production Support PC - Two PCs will be required for Production Support

Help Desk Support PC - Two PCs will be required for Help Desk Support

Development PC – Five PCs will be required for the vendor staff

ILRS Software:

Application Software

ILRS COTS Package

Upon completion of the ILRS project, surplus training and testing equipment will be redeployed within the division. Training and testing will occur over an extended period of time, however, if feasible the existing agency training and testing facilities will be utilized.

b. Description of the Alternatives Considered

Custom Developed Licensing and Regulatory System
A high level project plan for the development of a new Licensing and Regulatory System was developed. The amount of effort, hourly rates and team composition was applied to the plan. The major differences between acquiring a Commercial-Off-The-Shelf (COTS) package and developing a system from scratch was the additional effort required for:

- ILRS Database Design;
- Requirements Analysis;
- Detail Design for the Security Sub-system, Screens and Reports; and
- Development of the Security Sub-system, Screens and Reports.

It was estimated that this additional effort would extend the time required to complete the project by two and a half (2.5) years. It was estimated that the addition time frame and additional team members would cost approximately an additional $5 million dollars in project staff costs compared to the estimated cost for a COTS package.

In addition, the risks involved in completing a project of this magnitude would be much higher than acquiring and implementing a COTS package. One of the major factors that would make the risk unacceptable is that HSQA does not currently have the experience in developing and completing a development project of this length and complexity.

For these reasons, and because of our awareness that several COTS systems exist that provide functionality to support licensing and regulatory workload, HSQA management dismissed the option to develop an Integrated Licensing and Regulation System in-house.

Continue with Current Methods
Not moving forward with ILRS will have a number of negative impacts on HSQA's ability to improve access to data and service to customers.

1. Lost opportunity to have one system for the Division instead of individual systems for each program area:
    a. Ability to reference and coordinate activities between offices will be limited to manual processes that has lead to complaints about the right hand not knowing what the left hand is doing.
    b. Automating common processes for handling licenses, complaints, and enforcement across all program areas.
    c. Providing information available through the internet, allowing the public to inquire against a single system.
2. Increase in processing errors:
    a. ASI system does not validate fields such as social security number, gender, and all the date fields.
    b. Simple errors entered through the input process compound themselves as they move through the licensing process causing reprinting of licenses and renewals notices.
    c. Many errors must be fixed by HSQA IT staff which provides no automated audit trail.
    d. There is a backlog of changes that continues to grow. We handle the high priority ones first, which means we may never get to some of the lower level errors.
    e. Organizations that have data sharing agreements with us will be receiving information with high levels of data errors, causing integrity problems.
    f. As the volume of licenses continues to grow, more staff resources will need to be diverted from other duties to handling errors.
3. Continued lack of functionality affects the quality of data and reports:
    a. Inability to provide financial reconciliation to business outputs. The State Auditors Office has recently issued a formal finding against DOH for failure to provide adequate controls relating to revenues received, processed and licenses issued by the current ASI system.
    b. Inability to meet legislative mandates in a timely and adequate manner. Many data requests are not fulfilled because the current systems do not capture key data elements.
    c. Inability to provide timely and efficient reporting and tracking of disciplinary activities. The existing systems require redundant data entry of disciplinary data and do not provide adequate reports to help management track cases.
4. Continued use of obsolete technology is not aligned with DOH and DIS standards.

5. HSQA Information Technology staff are unable to enhance or modify the ASI and FSL systems for the following reasons:
    a. When the vendors discontinued support of the applications, they sent the source code for the applications to HSQA. Staff believe that the source code is a different version than the object code that is currently being used. Therefore, the programs cannot be re-compiled.
    b. The programming language for ASI is an obsolete version. Therefore, ASI cannot be run under new releases of the operating system. By not updating the operating system, unacceptable levels of risk regarding viruses and vendor support issues exist.
    c. Staff lack expertise in using the obsolete programming languages.

The Information Services Board has developed a tool to help system owners identify technical or business problems with a core system. The categories to be assessed are important in determining a system's health. The Status and Trends reflect the current state of the HSQA legacy Systems. The following table shows the results of the assessment of the ASI, BATS, FSL and ADBM systems.

Category	Status	Trend* (over time)
Ability to Meet Business Needs		
Meets Business Needs	**RED**	Weakening
Maintenance Backlog	**RED**	Weakening
Data Quality	**RED**	Weakening
Operational Stability		
Business Disruptions	**RED**	Weakening
Customer Satisfaction	**YELLOW**	Weakening
Performance	**YELLOW**	Weakening
Vendor Support Commitment (hardware and/or software)	**RED**	Weakening
Resource Requirements		
Staff Expertise	**GREEN**	Unchanged
System Documentation	**YELLOW**	Weakening

Category	Status	Trend* (over time)
Operation Costs	YELLOW	Weakening
Maintenance Cost/Effort	YELLOW	Weakening

***Trends** are over time and are either: *Unchanged, Improving or Weakening*

System Trends & Alerts Category Descriptions

Meets Business Needs – The ability of the application to support business requirements including new requirements and opportunities for process improvement.

- Green = meets all business requirements and process improvement opportunities
- Yellow = unable to meet one critical business requirement or opportunity
- Red = unable to meet two or more critical business requirements or opportunities

Business Disruptions – Instabilities or failures in the application that results in business disruptions (such as: delays in making payments to citizens or businesses, delays or failures to provide mandated reports)

- Green = no disruptions in the past year
- Yellow = one or two disruptions in the past year
- Red = three or more disruptions in the past year

Customer Satisfaction – The acceptance and usability of a system by the users usually measured in terms of complaints and/or a satisfaction survey.

- Green = complaint rate is low and stable, and/or acceptance rating is "acceptable" or higher
- Yellow = complaint rate is moderate and increasing, and/or acceptance rating is "somewhat dissatisfied" or "marginal"
- Red = complaint rate is high and/or acceptance rating is "unsatisfactory" or "very dissatisfied."

Performance – The ability of the application to execute transactions and/or batch processes in terms of standard measures such as response time, throughput rate and batch processing window.

- Green = response time and throughput rates are acceptable and are not increasing and/or all batch processing can be completed within processing window
- Yellow = response time is marginally acceptable but is increasing and/or throughput rates is marginally acceptable but is increasing and/or all batch processing can be completed within processing window but total elapsed time is increasing
- Red = response time is unacceptable and/or throughput rates is unacceptable and/or all batch processing cannot be completed within processing window

Maintenance Backlog – The number of application change requests in the queue to be worked are increasing.

- Green = stable or increasing at an annual rate less than 1%
- Yellow = increasing at annual rate of 1% to 5%
- Red = increasing at annual rate greater than 5%

Maintenance Cost/Effort – The total cost or effort to maintain and enhance (including new business functionality) a system including personnel staff cost/effort (salaries, benefits and overtime), contractor cost/effort and overhead cost/effort.

- Green = stable or increasing at or less than annual inflation rate – less than 3%
- Yellow = increasing at one to two times annual inflation rate – 3% to 6%
- Red = increasing at greater than two times annual inflation rate – greater than 6%

Operation Costs – The total costs to operate a system including personnel staff costs (salaries, benefits and overtime), contractor costs, system processing costs (hardware, software, processing charges, telecommunications, etc.) and overhead costs.

- Green = stable or increasing at or less than annual inflation rate – less than 3%
- Yellow = increasing at one to two times annual inflation rate – 3% to 6%
- Red = increasing at greater than two times annual inflation rate – greater than 6%

Staff Expertise – The quantity and skill level of the staff that are available to maintain the system as compared to the quantity and level required.

- Green = the proper quantity of staff is available at the proper skill level
- Yellow = either the quantity or skill level of staff is below acceptable standards
- Red = both the quantity or skill level of staff is below acceptable standards

System Documentation – The completeness and currency of documentation needed to maintain and operate the system.

- Green = documentation is complete and has been updated to include all major enhancements and modifications
- Yellow = either documentation is incomplete or documentation has not been updated to include enhancements and/or modifications
- Red = documentation is incomplete and has not been updated to include major enhancements and/or modifications

Data Quality – How well the accuracy of data supports decision making or business process.

- Green = no data inaccuracies or inaccuracies have no business impact
- Yellow = workarounds and post-processing checks are required to validate data
- Red = data is unreliable and cannot be used for decision-making)

Vendor Support Commitment – The measure of how well vendor(s) support the application (if acquired from an integrator and/or maintained by a third party), and/or the hardware platform and/or the base software/database.

- Green = vendor(s) support the existing application level and/or hardware platform and/or software/database release
- Yellow = vendor has announced that the current level of application and/or hardware and/or software/database will not be supported after future date
- Red = vendor has announced that the current level of application and/or hardware and/or software/database is no longer supported

c. Selected Alternative

The Integrated Licensing and Regulation System will be a Commercial-Off-The-Shelf package that will satisfy the technical and functional requirements contained within the three outdated legacy licensing systems, Automated Systems Incorporated (ASI),

Facilities Services and Licensing (FSL) System and the Office of Emergency Medical Services and Trauma System (OEMSTS). In addition, the Business Administrative Tracking System (BATS) will be replaced.

Specific work products
The specific work products that will be developed during the project include:

- Project Planning Documents such as: Project Plan, Quality Management Plan, Technical Architecture, System Development Plan, Security Strategy, Training Plan, Issue/Risk Management Plan, Conversion Strategy, Implementation Plan, Decommission Plan, and Disaster Recovery Plan;
- Conversion Detail Design Specifications for each database that needs to be converted;
- Interface Detail Design Documents for each systems that requires data transfer from the Integrated Licensing and Regulatory System;
- COTS Modification Detail Design Specifications for changes that are required to the core COTS package;
- ILRS Configuration Specifications showing the set-up and configuration of the COTS package;
- Test Scripts, Data and Expected Results for Unit, System/Integration, Performance and Acceptance testing;
- Conversion and Interface programs and procedures;
- Training Material; and
- System Documentation.

2. Risk

a. Risk Assessment

The ILRS Project has been assessed using the ISB guidelines to evaluate the risk criteria and severity. The risk criteria provide a mechanism to help gauge the impact of the project on the organization, the level of effort needed to complete the project, the stability of the proposed technology and agency preparedness. The severity criteria help to gauge the proposed project's impact on citizens and state operations, its visibility, and the consequences of doing nothing.

This assessment resulted in a recommendation for a Level 2 oversight for the ILRS project based on a medium risk and high-to-medium severity. The factors contributing to this recommendation are:

Risk Assessment – Medium
Functional impact on business processes or rules – High
Development effort and resources – Medium
Technology – Medium
Capability & management: Medium

Severity Assessment – Medium
Impact on clients – High
Visibility – High
Impact on state operations – Low
Failure or nil consequences – Medium

It is believed that the risk of implementing ILRS is low in that:

- Established technology will be used.
- There are no significant changes to business rules or processes.

As stated in the Quality Assurance Strategies section earlier in this document:

- A Quality Assurance Plan will be developed and utilized by an independent Quality Assurance Contractor.
- An Issue/Risk Management Plan will be developed and utilized by the project team.

The table on the following pages summarizes the risk/severity assessment, which was performed in consultation with DIS.

Oversight Severity-Risk Assessment		
Investment Analysis: Integrated Licensing and Regulation System (ILRS)	**Budget:** $3,720,084	**Oversight Rating:** Level 2
Priority / Initiative: This package supports the following priorities of government: • Goal 1. Improve health outcomes for the people of Washington State. • Goal 2. Enhance the public health system. • Goal 3. Increase focus and funding alignment on core mission activities. • Goal 5. Improve external and internal customer service. • Goal 6. Improve internal and external communications. • Goal 7. Increase effectiveness and efficiency through process improvement and performance measurement. • Goal 9. Enhance management and use of public health information.		Contact: Sue Shoblom
Description: The Integrated Licensing and Regulation System will be a Commercial-Off-The-Shelf package that will satisfy the technical and functional requirements contained within the three outdated legacy licensing systems, ASI, Facilities Services and Licensing (FSL) System and the Office of Emergency Medical Services and Trauma System (OEMSTS). In addition, the Business Administrative Tracking System (BATS) will be replaced.		
General Comments: An Oversight Rating of Level 2 has been selected. HSQA therefore proposes limited oversight by DIS MOST for this Investment. The agency will be utilizing structured and well-established project management techniques. The investment will employ technology that is in place and stabilized. The total budget is $3,720,084, which is over the agency's delegated authority.		

Severity

Supporting Score Information	
Rating	Severity Categories
High	***Impact on Clients:*** The HSQA program has an direct impact on citizens through licensing and regulation of Health Care Professionals and Facilities.
High	***Visibility*****:** Highly visible to citizens and the Legislature. Federal and State mandates apply. Some data contained in the ILRS system is considered confidential.
Low	***Impact on State Operations*****:** This project will only impact HSQA.
Medium	***Failure or Nil Consequences*****:** Potentially, inability to complete this project would result in the loss of an opportunity to improve service delivery and communication with the Health Care community.
Severity = Medium	

Risk

Supporting Score Information	
Rating	Risk Categories
High	**Functional Impact on Business Process or Rules:** The solution poses no change to business rules, however four existing systems will be replaced and certain changes to codes, terminology and nomenclature and possible business process re-engineering are expected. Extensive training on the use of the new system will be required.
Medium	**Development Effort and Resources:** Since a COTS package will be customized and implemented, it is anticipated that the development effort for conversion of existing data will be 9 months. The implementation effort will be approximately 15 months. The cost will be approximately $3.7 million.
Medium	**Technology:** The technology will adhere to DOH standards. The successful vendor will be selected based on the maturity of their product and successful evaluation of site visits by DOH staff.
Medium	**Capability:** While HSQA is a mature organization. There is limited experience in implementing a solution of this magnitude. Strong executive sponsorship exists.
Risk = Medium	

A Level 2 Oversight Assessment Rating has been selected for this Investment.

b. Quality Assurance Process

Quality Assurance procedures will be followed to ensure that the system deliverables fulfill both functional and technical requirements and to ensure that the project itself is operating successfully. An independent Quality Assurance contractor will execute the quality assurance plan. The components of quality assurance plan support the:

- Review of the deliverables to ensure that the project meets the business goals and detailed functional requirements for the system;

- Review of deliverables to ensure that the technical approach utilized to meet this goal is valid; and
- Review of project status to ensure that the project's resources are being managed appropriately.

The following plans will be used throughout the project lifecycle to ensure the quality of the products delivered:

- **Communication Plan** – Execution of the communication plan shall assure communications with executive sponsor, the program areas, and the project team to discuss status, resolve issues, and avoid any project delays.
- **Issue/Risk Management Plan –** The plan provides processes, methods, and tools for managing issues and risks. It provides a disciplined environment for proactive decision making to assess continuously what could go wrong (risks), determine which risks are important to deal with, and implement strategies to deal with those issues or risks.
- **Change Control Strategy** - The change control strategy addresses the process for implementing design changes/ modifications throughout the project.
- **Test Plans** - The project team shall produce the test plans to govern the activities during Unit Testing, System/Integration Testing, Stress/Performance Testing and User Acceptance Testing.
- **Training Plan** - The Training Plan describes the overall approach and methodology to be used to conduct training on the operations, maintenance and use of the system.

c. Technical Policies and Standards

ILRS will not have a significant effect on the Technology Infrastructure. When fully implemented, it will be supported by existing HSQA IT staff. The systems that are replaced by ILRS will be decommissioned.

The architecture and tools that will be used for this project will adhere to DOH Technology Standards.

- The Database will be MS SQL 2000 or higher running on a Windows 2000 server platform or higher.
- Data entry will be accomplished with either client server technology or a web-based application using Active Server Pages, VB and Java script along with COM+ technology or equivalent .Net framework components and methodology.
- Data Junction, along with scripts developed in-house, will be used to accomplish data scrubbing and conversions.

3. Costs and Benefits

a. Existing Agency IT Resources

Existing Agency IT Resources will play a critical role in the success of the project. These resources will assume the roles of IT Project Manager and Business Manager for the duration of the project. During implementation, existing support staff will be re-directed from supporting legacy systems as they are decommissioned to supporting the new system. The following is a description of the activities to be performed by the IT Project Manager and Business Manager.

Project Manager - *Plans, directs and manages the project resources to accomplish the plan on time and in budget*

- Partner with the Business Manager
- Develop project management plan
- Monitor project budget
- Provide accurate, timely reporting to project champion and steering committee
- Support needs of steering committee members and meetings
- Implement policies and directions set by project sponsor and steering committee
- Hire/supervise project staff
- Establish project standards and procedures
- Establish and convey expectations to staff and contractors
- Coordinate communication with program and technical areas
- Manage project contracts
- Identify issues and appropriate resolution process
- Assure project deliverables have high quality
- Identify and mitigate project risks
- Represent project interests with stakeholders
- Recognize good performance
- Create productive work environment that recognizes and supports individual styles and differences
- Coordinate and schedule meetings to ensure progress exceeds or maintains project schedule commitments

Business Manager - *Plans, directs and manages the business resources to accomplish the plan on time*

- Partner with the Project Manager
- Coordinate integration of business transactions with the system
- Develop business re-engineering plans
- Determine business rules for the system
- Identify and mitigate business risks
- Hire/supervise training and testing staff
- Develop and coordinate training plan and materials
- Develop user training manual

- Develop and coordinate testing plan
- Develop business policies and procedures for the new system
- Develop definitions and data dictionary
- Develop and coordinate the customer support plan during implementation
- Identify issues and appropriate resolution process
- Develop communication plan for the project
- Manage change control process with Project Manager

b. IT Resources to be Acquired

IT resources to be acquired include FTEs to fulfill project roles and contractors to augment the project team. In addition, Subject Matter Experts will be selected from the program areas to fulfill the roles of testers, trainers and to configure the ILRS software package. It is expected that the successful vendor will provide their own team to assist with conversion and to make the required modifications to the ILRS package.

FTE's will be hired to perform the roles of Technical Analyst, and Programmer Analyst (2). Contractors will be acquired using the DOH Convenience Contract to fulfill the roles of Quality Assurance contractor and Technical Writer.

The following is a description of the activities to be performed in these roles:

Technical Analyst - *Responsible for the actual development effort, including:*

- Specific technical expertise of system databases and platforms;
- Assist in detail planning;
- Review of project deliverables;
- Validate system design;
- Oversee and participate in development effort;
- Integration of the application;
- Ensures proper unit and system/integration testing; and
- Identification, documentation, and resolution of technical issues.

Programmer Analysts - *Responsible for the actual development effort, including:*

- Assist in validation of system design;
- Participate in development effort;
- Complete unit and system/integration testing; and
- Resolution of technical issues assigned by lead.

Testers / Trainers - *Prepares assigned deliverables that meet or exceed quality expectations*

- Develop personal expertise in areas of responsibility
- Listen to and understand needs of customers
- Produce quality deliverables that meet customers needs on time
- Actively participate in issue identification and resolution
- Increase personal productivity through process review and improvement

- Identify and eliminate barriers that inhibit working efficiently and effectively
- Raise issues to appropriate person for resolution or assistance when needed
- Accountable for personal assignments/behavior
- Commitment to co-workers and team
- Attend meetings of the project team to discuss task area status and issues
- Identify and resolve issues that place the completion of work or quality at risk
- Develop alternatives to mitigate the risk
- Review and provide comments to project manager on written deliverables
- Conduct discovery and assessment

Quality Assurance Contractor - *Regularly reviews project plans and strategies to ensure project success*

- Work closely and pro-actively with Project Manager, Business Manager, and team to review and assess all components of project
- Provide recommendations for improvement or mitigation to manager and/or executive sponsor
- Report independently to Project Champion

Technical Writer - *Prepares assigned deliverables that meet or exceed quality expectations*

- Develops project documentation;
- Updates training plan;
- Develops training materials and manuals;
- Develops user procedures; and
- Develops and maintains distribution lists.

c. Cost-Benefit Analysis

The Cost Benefit Analysis Worksheets are located in Appendix A.

Eight and a half (8.5) project FTEs will be required during SFY 2006. Six (6) project FTEs will be required during SFY2007. Please reference APPENDIX A: Cost Benefit Analysis Worksheets for detailed cost estimates.

Benefits

Benefits of the proposed system include:

- Improved efficiency by eliminating collection, data entry, and maintenance of redundant data;
- Addition of financial reconciliation processes to comply with state audit requirements;
- Increased consistency and tracking through use of system-wide rules;
- Enhanced system edits, reducing data entry errors;
- Improved reporting capability;
- Improved ability to meet legislative and federal timelines and mandates;
- Increased staff efficiency through automation of repetitive production processes;

- Elimination of side systems for management of the complaint and disciplinary process;
- Ability to link licensed facilities and licensed providers for improved assessment and coordination among program areas;
- Improved historical licensing and complaint investigation log for accountability;
- Ability to interface electronically with existing federal programs;
- Improved public access to vital health care information via the web; and
- Increased system reliability through replacement of outdated technology.

d. Estimated Investment Cost

Project Cost Estimates

	Project Cost by SFY		
	SFY 2006	**SFY 2007**	**Total Cost**
Total Project Development Cost	$2,755,000	$965,000	$3,720,000
Note: Costs include Agency/Division Indirects and Contingency			

Incremental Life Cycle & Maintenance Cost Estimates	5 Year Maintenance Cost					
	SFY 2008	**SFY 2009**	**SFY 2010**	**SFY 2011**	**SFY 2012**	**Total**
Total Maintenance Cost	$75,750	$75,750	$75,750	$75,750	$75,750	$378,750
Note: Costs include Agency / Division Indirects						

e. Financing and Refurbishment Plan

Fiscal Detail

Operating Expenditures		**SFY 2006**	**SFY 2007**	**Total**
HPQA 02G Health Professions		2,066,250	723,000	2,789,250
EMS 001-1 General Fund - Local		220,400	77,000	297,400
FSL 001-7 General Fund - State		468,350	165,000	633,350
Total Funding Sources		**$ 2,755,000**	**$ 965,000**	**$ 3,720,000**
Staffing (FTEs)		**SFY 2006**	**SFY 2007**	**Total**
		8.5	**6.0**	**7.3**
Revenue Detail				
Fund	**Source**	**SFY 2006**	**SFY 2007**	**Total**
General Fund – Local	**05-97**	**154,000**	**136,000**	**290,000**

The hardware (servers, PCs, printers, etc.) that are purchased to support the ILRS will fall under HSQA's normal equipment refurbishing plan. This plan calls for equipment to be replaced every three years.

D. Acquisition Process / Approach

1. Acquisition Method

HSQA will solicit a minimum of three bids each for contracts that will provide for 1) the acquisition of the ILRS software package and vendor support, 2) a Quality Assurance contractor and 3) a Technical Writer contractor.

The ILRS software package and vendor support services will be acquired through a competitive Request For Proposal (RFP) process. The RFP will be developed by HSQA staff with assistance from the DOH Office of Contracts, Properties and Procurement. A Statement of Work will be developed by HSQA staff and released to vendors on the Convenience Contract for the Quality Assurance contractor. A Statement of Work will be developed by HSQA staff and released to vendors on the Convenience Contract for the Technical Writer contractor.

The steps to be performed in the RFP process include:

- Perform Business Area Analysis to develop Functional Requirements (completed 06/2004)
- Develop Information Technology Proposal (completed 06/2004)
- Develop Decision Package (completed 07/2004)
- Develop Feasibility Study (completed 12/2004)
- Develop Investment Plan (completed 12/2004)
- Refine Business Requirements
- Develop RFP
- Release RFP
- Evaluate vendor responses
- Select Vendors for demonstrations
- Select top two vendors
- Complete client site visits for selected vendors
- Announce apparently successful vendor
- Negotiate contract
- Sign Contract
- Commence Work

It is anticipated that the ILRS software vendor will commence work in July 2005.

The steps to be performed in selecting the Quality Assurance contractor and the Technical Writer contractor include:

- Develop Statement of Work
- Release Statement of Work to vendors on the Convenience Contract
- Evaluate responses
- Select contractor
- Negotiate contract

- Sign contract
- Commence Work

It is expected that the Quality Assurance contractor will commence work in January 2005. It is expected that the Technical Writer contractor will commence work in October 2005

2. Acquisition Schedule

The following table shows the acquisition schedule for the Integrated Licensing and Regulation System.

Task	Target Date	Status
Perform Business Area Analysis to develop Functional Requirements	June 2004	Complete
Develop Information Technology Proposal	June 2004	Complete
Develop Decision Package	July 2004	Complete
Develop Feasibility Study	December 2004	Pending Approval
Develop Investment Plan	December 2004	Pending Approval
Refine Business Requirements	February 2005	In Progress
Develop ILRS RFP	February 2005	In Progress
Release RFP	March 2005	
Evaluate vendor responses	May 2005	
Select Vendors for demonstrations	May 2005	
Select top two vendors	May 2005	
Complete client site visits for selected vendors	June 2005	
Announce apparently successful vendor	June 2005	
Negotiate contract	July 2005	
Sign Contract	July 2005	
Commence Work	July 2005	

The following table shows the acquisition schedule for the Quality Assurance contractor.

Task	Target Date	Status
Develop Statement of Work	December 2004	In Progress
Release Statement of Work to vendors on the DOH Convenience Contract	December 2004	
Evaluate responses	December 2004	
Select contractor	December 2004	
Negotiate contract	December 2004	
Sign contract	December 2004	
Commence Work	January 2005	

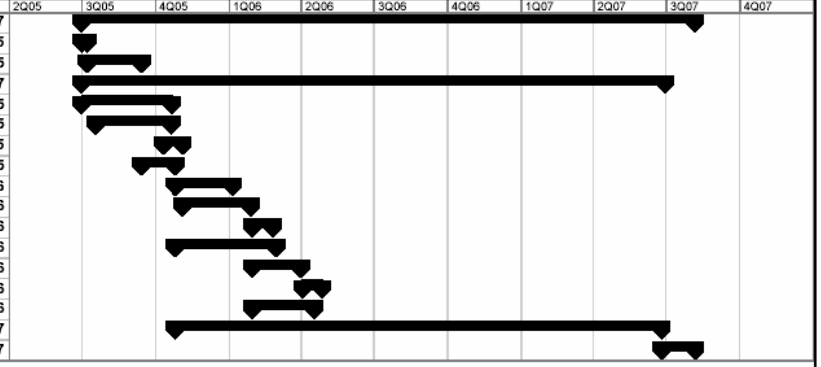
The following table shows the acquisition schedule for the Technical Writer contractor.

Task	Target Date	Status
Develop Statement of Work	August 2005	
Release Statement of Work to vendors on the DOH Convenience Contract	September 2005	
Evaluate responses	September 2005	
Select contractor	September 2005	
Negotiate contract	September 2005	
Sign contract	September 2005	
Commence Work	October 2005	

3. ILRS Project Schedule

Integrated Licensing and Regulatory System
Project Plan

ID	Task Name	Duration	Start	Finish
1	**HSQA ILRS System**	**546.5 days**	**Fri 7/1/05**	**Mon 8/6/07**
2	**1.0 Project Initiation**	**5 days**	**Fri 7/1/05**	**Thu 7/7/05**
5	**2.0 Project Planning**	**48 days**	**Fri 7/8/05**	**Tue 9/13/05**
61	**3.0 Ongoing Project Management**	**521 days**	**Fri 7/1/05**	**Sat 6/30/07**
68	**4.0 Procure Hardware/Software**	**81 days**	**Fri 7/1/05**	**Fri 10/21/05**
74	**5.0 Conversion Detail Design**	**68.5 days**	**Mon 7/18/05**	**Thu 10/20/05**
433	**6.0 Interface Detail Design**	**17.5 days**	**Tue 10/11/05**	**Thu 11/3/05**
464	**7.0 COTS Modification Detail Design**	**30 days**	**Wed 9/14/05**	**Tue 10/25/05**
469	**8.0 ILRS Configuration**	**52 days**	**Wed 10/26/05**	**Thu 1/5/06**
478	**9.0 Conversion Development/Unit Test**	**61 days**	**Fri 11/4/05**	**Fri 1/27/06**
774	**10.0 Develop Interfaces**	**20 days**	**Mon 1/30/06**	**Fri 2/24/06**
800	**11.0 COTS Modification Development**	**90 days**	**Wed 10/26/05**	**Tue 2/28/06**
803	**12.0 System/Integration Testing**	**45 days**	**Mon 1/30/06**	**Fri 3/31/06**
809	**13.0 Stress/Performance Testing**	**18 days**	**Mon 4/3/06**	**Wed 4/26/06**
815	**14.0 User Acceptance Testing**	**55.5 days**	**Mon 1/30/06**	**Mon 4/17/06**
821	**15.0 Implementation**	**434 days**	**Tue 10/25/05**	**Mon 6/25/07**
932	**16.0 Post-implementation Activities**	**30 days**	**Mon 6/25/07**	**Mon 8/6/07**



Revised 11/22/2004 Page 1

Appendix A. Cost benefit Analysis Worksheets

State of Washington OITO Cost Benefit and Feasibility Analysis **1997-1999 Feasibility Study Guidelines**

Form 1/ Summary, Cost Benefit and Cash Flow Analysis

Agency: Department of Health

HSQA - ILRS

06-Dec-04
Suggested Format

	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	GRAND TOTAL
TOTAL OUTFLOWS	2,755,634	1,040,200	75,750	75,750	75,750	75,750	75,750	75,750	75,750	75,750	4,401,834
TOTAL INFLOWS	0	0	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	104,000
NET CASH FLOW	(2,755,634)	(1,040,200)	(62,750)	(62,750)	(62,750)	(62,750)	(62,750)	(62,750)	(62,750)	(62,750)	
INCREMENTAL NPV	NA	(3,557,195)	(3,611,015)	(3,862,151)	(3,710,736)	(3,756,898)	(3,800,757)	(3,842,428)	(3,882,021)	(3,919,639)	
Cumulative Costs	NA	3,795,834	3,871,584	3,947,334	4,023,084	4,098,834	4,174,584	4,250,334	4,326,084	4,401,834	
Cumulative Benefits	NA	0	13,000	26,000	39,000	52,000	65,000	78,000	91,000	104,000	

Cost of Capital	Breakeven Period - yrs.*		NPV $	IRR %
	Non-Discounted	Discounted		
5.25%			(3,919,639)	#DIV/0!

* - "Non-Discounted" represents breakeven period for cumulative costs and benefits (no consideration of time value of money).
* - "Discounted" considers effect of time value of money through incremental Net Present Value.

State of Washington OITO Cost Benefit and Feasibility Analysis **1997-1999 Feasibility Study Guidelines**

Form 2/ Project Detail Cost Flow Analysis Agency Department of Health Project Option HSQA - ILRS

06-Dec-04
Suggested Format

FISCAL COSTS, PROJECT DEVELOPMENT	OFM Object Codes	DEVELOPMENT PHASES FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	GRAND TOTAL
Salaries and Wages	(A)	455,400	336,000	0	0	0	0	0	0	0	0	791,400
Employee Benefits	(B)	100,188	73,920	0	0	0	0	0	0	0	0	174,108
Personal Service Contracts	(CA)	106,800	106,800	0	0	0	0	0	0	0	0	213,600
Communications	(EB)	7,820	5,520	0	0	0	0	0	0	0	0	13,340
Hardware Rent/Lease	(ED)	0	0	0	0	0	0	0	0	0	0	0
Hardware Maintenance	(EE)	0	0	0	0	0	0	0	0	0	0	0
Software Rent/Lease	(ED)	0	0	0	0	0	0	0	0	0	0	0
Software Maintenance & Upgrac	(EE)	0	0	0	0	0	0	0	0	0	0	0
DP Goods/Services	(EL)	674,150	53,400	0	0	0	0	0	0	0	0	727,550
Goods/Services Not Listed	(E)	138,762	121,648	0	0	0	0	0	0	0	0	260,410
Travel	(G)	0	0	0	0	0	0	0	0	0	0	0
Hardware Purchase Capitalized	(JC)	292,575	44,160	0	0	0	0	0	0	0	0	336,735
Software Purchase Capitalized	(JC)	450,000	0	0	0	0	0	0	0	0	0	450,000
Hardware Purchase - Non. Cap	(KA)	0	0	0	0	0	0	0	0	0	0	0
Software Purchase - Non. Cap	(KA)	0	0	0	0	0	0	0	0	0	0	0
Hardware Lease/Purchase	(P)	0	0	0	0	0	0	0	0	0	0	0
Software Lease/Purchase	(P)	0	0	0	0	0	0	0	0	0	0	0
Contingency	( )	240,000	92,000	0	0	0	0	0	0	0	0	332,000
Other (Agency Indirects)	( )	289,939	131,002	0	0	0	0	0	0	0	0	420,941
TOTAL DEVELOPMENT		2,755,634	964,450	0	0	0	0	0	0	0	0	3,720,084

State of Washington OITO Cost Benefit and Feasibility Analysis **1997-1999 Feasibility Guidelines**

Form 3/ Summary, Operations Incremental Cost of Project **Agency** Department of Health **Project Option** HSQA - ILRS

06-Dec-04

		FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	GRAND TOTAL
OPERATIONS INCREMENTAL COSTS OF PROJECT (Per Form 4 - Column C)												
Salaries and Wages	(A)	0	0	0	0	0	0	0	0	0	0	0
Employee Benefits	(B)	0	0	0	0	0	0	0	0	0	0	0
Personal Service Contracts	(CA)	0	0	0	0	0	0	0	0	0	0	0
Communications	(EB)	0	0	0	0	0	0	0	0	0	0	0
Hardware Rent/Lease	(ED)	0	0	0	0	0	0	0	0	0	0	0
Hardware Maintenance	(EE)	0	0	0	0	0	0	0	0	0	0	0
Software Rent/Lease	(ED)	0	0	0	0	0	0	0	0	0	0	0
Software Maintenance & Upgra	(EE)	0	75,750	75,750	75,750	75,750	75,750	75,750	75,750	75,750	75,750	681,750
DP Goods/Services	(EL)	0	0	0	0	0	0	0	0	0	0	0
Goods/Services Not Listed	(E)	0	0	0	0	0	0	0	0	0	0	0
Travel	(G)	0	0	0	0	0	0	0	0	0	0	0
Hardware Purchase Capitalized	(JC)	0	0	0	0	0	0	0	0	0	0	0
Software Purchase Capitalized	(JC)	0	0	0	0	0	0	0	0	0	0	0
Hardware Purchase - Non. Cap	(KA)	0	0	0	0	0	0	0	0	0	0	0
Software Purchase - Non. Cap	(KA)	0	0	0	0	0	0	0	0	0	0	0
Hardware Lease/Purchase	(P)	0	0	0	0	0	0	0	0	0	0	0
Software Lease/Purchase	(P)	0	0	0	0	0	0	0	0	0	0	0
Other (specify)	( )	0	0	0	0	0	0	0	0	0	0	0
TOTAL OPERATIONS		0	75,750	75,750	75,750	75,750	75,750	75,750	75,750	75,750	75,750	681,750
TOTAL OUTFLOWS		2,755,634	1,040,200	75,750	75,750	75,750	75,750	75,750	75,750	75,750	75,750	4,401,834
CUMULATIVE COSTS			3,795,834	3,871,584	3,947,334	4,023,084	4,098,834	4,174,584	4,250,334	4,326,084	4,401,834	

(1) Total Outflows the sum of Fiscal Total Operations and Total Development from Form2.
(2) Total Outflows carried to Form1

State of Washington OITO Cost Benefit and Feasibility Analysis

1997-1999 Feasibility Study Guidelines

Form 4/ Current versus Proposed Method Operations Costs

Agency Department of Health

Project Option HSQA - ILRS

06-Dec-04
Suggested Format

		FY 2006			FY 2007			FY 2008			FY 2009			FY 2010		
OPERATIONS COSTS	Obj. Codes	(a) Current	(b) Project	(c) = (b)-(a) Incremental Effect of Project (to summary)	(a) Current	(b) Project	(c) = (b)-(a) Incremental Effect of Project (to summary)	(a) Current	(b) Project	(c) = (b)-(a) Incremental Effect of Project (to summary)	(a) Current	(b) Project	(c) = (b)-(a) Incremental Effect of Project (to summary)	(a) Current	(b) Project	(c) = (b)-(a) Incremental Effect of Project (to summary)
Salaries and Wages	(A)	0	0	0	0	0	0	523,000	523,000	0	523,000	523,000	0	523,000	523,000	0
Employee Benefits	(B)	0	0	0	0	0	0	115,000	115,000	0	115,000	115,000	0	115,000	115,000	0
Personal Service Contracts	(CA)	0	0	0	0	0	0	0		0	0		0	0		0
Communications	(EB)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Hardware Rent/Lease	(ED)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Hardware Maintenance	(EE)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Software Rent/Lease	(ED)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Software Maintenance & Upgrade	(EE)	0	0	0	0	75,750	75,750	0	75,750	75,750	0	75,750	75,750	0	75,750	75,750
DP Goods/Services	(EL)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Goods/Services Not Listed	(E)	0	0	0	0	0	0	366,000	366,000	0	366,000	366,000	0	366,000	366,000	0
Travel	(G)	0	0	0	0	0	0	3,000	3,000	0	3,000	3,000	0	3,000	3,000	0
Hardware Purchase Capitalized	(JC)	0	0	0	0	0	0	50,000	50,000	0	50,000	50,000	0	50,000	50,000	0
Software Purchase Capitalized	(JC)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Hardware Purchase - Non. Cap	(KA)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Software Purchase - Non. Cap	(KA)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Hardware Lease/Purchase	(P)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Software Lease/Purchase	(P)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other (specify)	( )	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL OPERATION COSTS		0	0	0	0	75,750	75,750	1,057,000	1,132,750	75,750	1,057,000	1,132,750	75,750	1,057,000	1,132,750	75,750
FTE'S				0			0			0			0			0

		FY 2011			FY 2012			FY 2013			FY 2014			FY 2015		
OPERATIONS COSTS	Obj. Codes	(a) Current	(b) Project	(c) = (b)-(a) Incremental Effect of Project (to summary)	(a) Current	(b) Project	(c) = (b)-(a) Incremental Effect of Project (to summary)	(a) Current	(b) Project	(c) = (b)-(a) Incremental Effect of Project (to summary)	(a) Current	(b) Project	(c) = (b)-(a) Incremental Effect of Project (to summary)	(a) Current	(b) Project	(c) = (b)-(a) Incremental Effect of Project (to summary)
Salaries and Wages	(A)	523,000	523,000	0	523,000	523,000	0	523,000	523,000	0	523,000	523,000	0	523,000	523,000	0
Employee Benefits	(B)	115,000	115,000	0	115,000	115,000	0	115,000	115,000	0	115,000	115,000	0	115,000	115,000	0
Personal Service Contracts	(CA)	0		0	0		0	0		0	0		0	0		0
Communications	(EB)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Hardware Rent/Lease	(ED)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Hardware Maintenance	(EE)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Software Rent/Lease	(ED)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Software Maintenance & Upgrade	(EE)	0	75,750	75,750	0	75,750	75,750	0	75,750	75,750	0	75,750	75,750	0	75,750	75,750
DIS Goods/Services	(EL)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Goods/Services Not Listed	(E)	366,000	366,000	0	366,000	366,000	0	366,000	366,000	0	366,000	366,000	0	366,000	366,000	0
Travel	(G)	3,000	3,000	0	3,000	3,000	0	3,000	3,000	0	3,000	3,000	0	3,000	3,000	0
Hardware Purchase Capitalized	(JC)	50,000	50,000	0	50,000	50,000	0	50,000	50,000	0	50,000	50,000	0	50,000	50,000	0
Software Purchase Capitalized	(JC)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Hardware Purchase - Non. Cap	(KA)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Software Purchase - Non. Cap	(KA)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Hardware Lease/Purchase	(P)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Software Lease/Purchase	(P)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other (specify)	( )	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL OPERATION COSTS		1,057,000	1,132,750	75,750	1,057,000	1,132,750	75,750	1,057,000	1,132,750	75,750	1,057,000	1,132,750	75,750	1,057,000	1,132,750	75,750
FTE'S				0			0			0			0			0

(1) FY___ Column (c) for each Cost Code carried to Form3

State of Washington OITO Cost Benefit and Feasibility Analysis **1997-1999 Feasibility Study Guidelines**

Form 5/ Benefits Cash Flow Analysis Agency Department of Health Project Option HSQA - ILRS
06-Dec-04
Suggested Forms:

TANGIBLE BENEFITS	OFM Object Codes	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	TOTAL
					BENEFITS							
Hard $												
Revenues (specify)	(revenue codes)	0	0	0	0	0	0					0
												0
												0
												0
												0
Reimbursements (specify)	(object codes)	0	0	0	0	0	0					0
Intra Agency Re-mb		0	0	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	104,000
												0
												0
												0
Cost Reduction (specify) (1)	(object codes)	0	0	0	0	0	0					0
												0
												0
												0
												0
Other (specify)	(object codes)	0	0	0	0	0	0					0
												0
												0
												0
												0
												0
Soft $												0
Cost Avoidance (specify)	(object codes)	0	0	0	0	0	0					0
												0
												0
												0
												0
												0
Other (specify)	(object codes)	0	0	0	0	0	0					0
												0
												0
												0
												0
												0
												0
TOTAL INFLOWS		0	0	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	104,000
CUMULATIVE BENEFITS			0	13,000	26,000	39,000	52,000	65,000	78,000	91,000	104,000	

(1) Reflect all Cost Reduction Benefits except Operations reductions (which are reflected in Cost of Operations).
(2) Total Inflows carries to Form1